



DEPARTMENT OF GENERAL SERVICES

Executive Office

The Ziggurat • 707 Third Street, Eighth Floor • PO Box 989052 • West Sacramento, CA 95798-9052 • (916) 376-5000

March 19, 2003

TO: All Procurement and Contracting Officers

**Subject: DEPARTMENT OF GENERAL SERVICES MODEL CONTRACT
LANGUAGE**

In response to Recommendation 11 of the Procurement Reform Task Force, the Department of General Services (DGS) has been working diligently with the Information Technology Association of America (ITAA) and the information technology industry to improve model contract provisions that protect the state's interests and mitigate risks to all parties.

As a result, General Provisions for Information Technology (GSPD-401IT) and Information Technology (IT) modules, each with an effective date of 03/01/03 (the 01/21/03 version previously released has had only minor clerical errors corrected), have been established and replace the prior versions. These revised models are to be used immediately. Although only minor modifications thus far, the General Provisions for non-IT commodities (GSPD-401Non-IT Commodities), dated 03/01/03, are also to be used immediately. Please note that these revised models are not to be changed, and utilization of unapproved modifications to this language may subject your agency to revocation of purchasing authority. It is recognized that there will be a few occasions when language modification will be necessary and appropriate. Such "exceptions" must be approved in advance by DGS. We estimate that less than five percent (5%) of all contracts issued will fall in this category.

To protect the state's interests, effective immediately, please utilize these revised General Provisions, including the information technology modules. This revised language is available on the DGS/Procurement Division (DGS/PD) web site, www.pd.dgs.ca.gov/modellang.htm. Prior versions are still viewable and available for reference purposes, but are no longer to be utilized in solicitations. These models are being incorporated into the contracts issued by DGS/PD, including all new master agreements. It is expected that the significant changes made to the IT models will also be migrated to the California Multiple Award Schedule (CMAS) agreements. Discussions with industry representatives and outside counsel are in the preliminary stage; once the program review is complete, any modifications made to the CMAS language will be made available to you via the CMAS Bulletin process and on the CMAS web site, www.pd.dgs.ca.gov/cmas/default.htm.

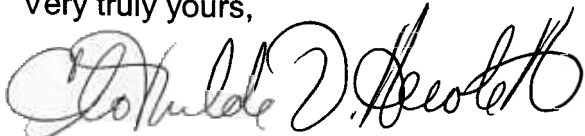
The General Terms and Conditions currently in use for non-IT service contracts remain unchanged. In accordance with Recommendation 11, a process to review these terms and modify as appropriate is underway. Hopefully this will be

completed in the near term. Model General Terms and Conditions for non-IT services, dated 01/01/2003, are available on the DGS/OLS (Office of Legal Services) web site, www.ols.dgs.ca.gov/Standard+Language/default.htm.

The DGS looks forward to a continuing, positive relationship with each of you and your staff as we implement these reforms. To help you better understand the impact of the modifications, the DGS will be discussing the changes made to the IT models at two special Customer Forum sessions, one to be held in March and a second to be held in April 2003. Information on this Forum is available on the DGS/PD web site.

If you have any questions, please contact Diana La Bonte, Acting Manager, Technology Acquisitions Section, Procurement Division, at (916) 375-4428 or by e-mail at diana.labonte@dgs.ca.gov.

Very truly yours,

A handwritten signature in black ink, appearing to read "Clothilde V. Hewlett". The signature is fluid and cursive, with a large initial "C" and "H".

Clothilde V. Hewlett, Interim Director
Department of General Services

CVH:DL:dl